

**Mukand Ltd.**

**Regd. Office :** Bajaj Bhawan, 3rd Floor  
Jamnalal Bajaj Marg  
226 Nariman Point, Mumbai, India 400 021  
Tel : 91 22 6121 6666 Fax : 91 22 2202 1174  
www.mukand.com

**Kalwe Works :** Thane-Belapur Road  
Post office Kalwe, Thane, Maharashtra  
India 400 605  
Tel : 91 22 2172 7500 / 7700 Fax : 91 22 2534 8179  
CIN : L99999MH1937PLC002726

Date: 31/08/2020

1. Department of Corporate Services <b>BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. ISIN CODE : INE304A01026 INE304A04012 BSE Scrip Code : 500460	2. Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai – 400051. ISIN CODE : INE304A01026 INE304A04012 NSE Scrip Name : MUKANDLTD.
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Dear Sir/Madam,

**Sub.: Outcome of the Board Meeting - Un-audited Financial Results for the quarter ended 30<sup>th</sup> June, 2020**

In terms of the provisions of the Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI Listing Regulations, 2015, we enclosing the Un-Audited Financial Results (Standalone & Consolidated) of the Company along with Limited Review Report of the Statutory Auditors, for the quarter ended 30<sup>th</sup> June, 2020, which were approved and taken on record at the meeting of the Board of Directors held today, i.e. 31<sup>st</sup> August, 2020.

The above Results will also be made available on the Company's website i.e. [www.mukand.com](http://www.mukand.com)

The Meeting commenced at 4:30 p.m. and concluded at 5:30 p.m.

Kindly take the above on your record

Yours faithfully,  
For **Mukand Limited**



**K. J. Mallya**  
**Company Secretary**  
([kjmallya@mukand.com](mailto:kjmallya@mukand.com))  
Cell: 9820990922



CIN L 99999 MH 1937 PLC 002726

**MUKAND LIMITED**

Regd. Office : Bajaj Bhawan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021  
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & THREE MONTHS ENDED JUNE 30,2020

**Rs. Crores**

	Particulars	Quarter ended			Year ended
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		Unaudited	Audited	Unaudited	Audited
<b>I</b>	<b>TOTAL REVENUE</b>				
a)	Sale of Goods & Services	299.49	723.09	817.33	2,797.51
b)	Other Operating Revenue	5.78	3.56	4.61	20.87
<b>I</b>	<b>Revenue from Operations</b>	<b>305.27</b>	<b>726.65</b>	<b>821.94</b>	<b>2,818.38</b>
<b>II</b>	<b>Other Income</b>				
a)	Interest Income	8.47	7.20	13.13	33.80
b)	Net Gain on Fair Valuation/Disposal of Investments		6.17		6.17
c)	Miscellaneous Income	1.05	0.27	2.75	12.26
<b>II</b>	<b>Other Income</b>	<b>9.52</b>	<b>13.64</b>	<b>15.88</b>	<b>52.23</b>
<b>III</b>	<b>Total Revenue I+II</b>	<b>314.79</b>	<b>740.29</b>	<b>837.82</b>	<b>2,870.61</b>
<b>IV</b>	<b>EXPENSES</b>				
a)	Cost of materials consumed	150.59	422.48	475.76	1,564.91
b)	Purchase of Stock in Trade			0.03	0.03
c)	Changes in inventories of finished goods and work-in-progress	45.02	3.01	(29.88)	(26.03)
d)	Employee benefits expense	40.85	46.54	48.58	188.52
e)	Finance Costs	89.32	87.43	81.60	338.11
f)	Depreciation	18.59	20.08	18.32	75.41
g)	Stores,Spares Components, Tools etc. consumed	38.08	102.52	134.92	418.78
h)	Other Expenditure	80.16	138.15	155.60	569.65
i)	Expenditure transferred to Capital Account / Capital Work-in-Progress	(0.23)	(1.00)	(0.93)	(4.17)
<b>IV</b>	<b>Total Expenses</b>	<b>462.38</b>	<b>819.21</b>	<b>884.00</b>	<b>3,125.21</b>
<b>V</b>	<b>Profit / (Loss) before tax (III-IV)</b>	<b>(147.59)</b>	<b>(78.92)</b>	<b>(46.18)</b>	<b>(254.60)</b>
<b>VI</b>	<b>Tax Expense</b>				
	Deferred Tax (Charge) / Credit	45.60	25.35	14.05	82.52
	<b>Total Tax</b>	<b>45.60</b>	<b>25.35</b>	<b>14.05</b>	<b>82.52</b>
<b>VII</b>	<b>Profit/(Loss) for the period/year before tax adjustments pertaining to earlier years</b>	<b>(101.99)</b>	<b>(53.57)</b>	<b>(32.13)</b>	<b>(172.08)</b>
	Tax adjustments due to reversal of Deferred Tax credit taken in earlier years on account of lapsing of business loss		(23.49)		(23.49)
<b>VII</b>	<b>Profit/(Loss) for the period/year</b>	<b>(101.99)</b>	<b>(77.06)</b>	<b>(32.13)</b>	<b>(195.57)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified to Profit or loss-				
a)	Actuarial Gain on defined benefit obligations	0.14	(1.32)	0.80	1.48
b)	Net gains on Fair Value changes of Equity Instruments		1.56		1.56
c)	Less : Deferred tax on above	(0.04)	0.08	(0.25)	(0.79)
	<b>Net</b>	<b>0.10</b>	<b>0.32</b>	<b>0.55</b>	<b>2.25</b>
<b>IX</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>(101.89)</b>	<b>(76.74)</b>	<b>(31.58)</b>	<b>(193.32)</b>
<b>X</b>	<b>Paid-up equity share capital – Face value Rs.10/- per Share</b>	<b>141.42</b>	<b>141.42</b>	<b>141.42</b>	<b>141.42</b>
<b>XI</b>	<b>Reserves (excluding Revaluation Reserve)</b>				<b>715.63</b>
<b>XII</b>	<b>Earnings per Share of Rs.10/- each Basic &amp; Diluted (for continued and discontinued operations) (not annualised)</b>				
	<b>Basic and Diluted EPS (in Rs.)</b>	<b>(7.21)</b>	<b>(5.45)</b>	<b>(2.27)</b>	<b>(13.83)</b>

## MUKAND LIMITED

Rs. Crores

		Quarter ended			Year ended
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		Unaudited	Audited	Unaudited	Audited
<b>SEGMENT REVENUE</b>					
1)	Specialty Steel	301.83	700.84	792.54	2,713.96
2)	Industrial Machinery & Engineering Contracts	3.55	26.94	30.50	109.31
	Sub-total	305.38	727.78	823.04	2,823.27
	Less : Inter Segment Revenue	(0.11)	(1.13)	(1.10)	(4.89)
	<b>Total Segment Revenue</b>	<b>305.27</b>	<b>726.65</b>	<b>821.94</b>	<b>2,818.38</b>
<b>SEGMENT RESULT</b>					
1)	Specialty Steel	(51.99)	7.06	35.24	88.36
2)	Industrial Machinery & Engineering Contracts	(14.44)	(7.11)	(10.62)	(29.67)
	Less : Inter segment margin	(0.02)	(0.17)	(0.14)	(0.67)
	<b>Total Segment Result</b>	<b>(66.45)</b>	<b>(0.22)</b>	<b>24.48</b>	<b>58.02</b>
	Add / (Less) :				
	Other net un-allocable :				
	Interest Income	8.47	7.20	13.13	33.80
	Income	1.05	6.42	2.75	18.43
	Expenditure	(1.34)	(4.89)	(4.94)	(26.74)
	Other net un-allocable (expenditure) / income	8.18	8.73	10.94	25.49
	<b>Profit / (Loss) before Finance costs</b>	<b>(58.27)</b>	<b>8.51</b>	<b>35.42</b>	<b>83.51</b>
	Less : Finance costs	89.32	87.43	81.60	338.11
	Profit / (Loss) before tax	(147.59)	(78.92)	(46.18)	(254.60)
	<b>SEGMENT ASSETS / LIABILITIES</b>	<b>30-Jun-20</b>	<b>31-Mar-20</b>	<b>30-Jun-19</b>	<b>31-Mar-20</b>
<b>A</b>	<b>Segment Assets</b>				
1)	Specialty Steel	2,290.91	2,351.89	2,237.13	2,351.89
2)	Industrial Machinery & Engineering Contracts	353.16	363.28	379.83	363.28
3)	Corporate - Unallocable	1,762.93	1,693.83	1,781.27	1,693.83
		4,407.00	4,409.00	4,398.23	4,409.00
<b>B</b>	<b>Segment Liabilities</b>				
1)	Specialty Steel	595.50	899.92	854.30	899.92
2)	Industrial Machinery & Engineering Contracts	49.07	57.00	73.61	57.00
3)	Corporate - Unallocable	3,007.27	2,595.06	2,451.09	2,595.06
		3,651.84	3,551.98	3,379.00	3,551.98
	<b>Total Net Capital Employed</b>	<b>755.16</b>	<b>857.02</b>	<b>1,019.23</b>	<b>857.02</b>

## **Notes:**

- 1.** The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31<sup>st</sup> August 2020. These results have been subjected to Limited Review by the Statutory Auditors of the Company.
  
- 2.** Post relaxation of lock down by the Government, the plants situated at Dighe, Thane in the State of Maharashtra and Ginigera, Koppal in the State of Karnataka have become partially operational as per guidelines of the Government with effect from first week of May 2020. The stress on liquidity position has been partially mitigated by the relief given by the Government, RBI, Electricity Distribution Companies, etc. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID -19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements and meet its entire financial obligations in the near future. The impact of COVID 19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.
  
- 3.** Petitions filed with NCLT for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with the Company are pending for approval of NCLT. The Scheme shall be effective from the appointed date 1<sup>st</sup> April,2019 on receipt of NCLT order and filing the same with Registrar of Companies and therefore the above results do not include effect of amalgamation of these Companies with the Company.

4. Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2020:
- a. The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs 38.06 Crore (net of provision for expected credit loss) as at 30<sup>th</sup> June 2020 as against Rs. 38.18 Crore (net of provision for expected credit loss) as at 31<sup>st</sup> March 2020. The management, considering the value of unencumbered fixed assets and current assets of BFL, considers the balance dues to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.
5. The figures of last quarter of the previous year are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the previous financial year, which were subjected to Limited Review.
6. Figures in respect of the previous period have been regrouped / recast wherever necessary in case of above results.

**By Order of the Board of Directors**

Niraj  
Ramkrishna  
a Bajaj

Digitally signed  
by Niraj  
Ramkrishna Bajaj  
Date: 2020.08.31  
17:16:21 +05'30'

**For Mukand Ltd.,**

RAJESH  
VIREN  
SHAH

Digitally signed  
by RAJESH VIREN  
SHAH  
Date: 2020.08.31  
17:17:08 +05'30'

**Niraj Bajaj**

**Chairman & Managing Director**

**Rajesh V. Shah**

**Co-Chairman & Managing Director**

Place : **Mumbai**

Date : **31<sup>st</sup> August 2020**

## Independent Auditor's Review Report on quarterly Unaudited Standalone Financial Results of Mukand Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors

Mukand Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Mukand Limited ("the Company") for the quarter ended June 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters in the notes to the Statement:
  - a) Note 2 to the Statement, which explains the management evaluation on the impact of COVID-19 pandemic situation on the operational and financial position of the Company which is further dependent upon the circumstances as they evolve in the subsequent period.



# HARIBHAKTI & CO. LLP

Chartered Accountants

- b) Note 4(a) to the Statement, relating to exposures in Bombay Forging Limited ("BFL") aggregating Rs. 38.06 crores (net of provision for expected credit loss) as at June 30, 2020. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets and current assets of BFL for the balance portion of exposure in BFL.

Our report is not modified in respect of these matters.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



**Sumant Sakhardande**

Partner

Membership No. 034828

UDIN: 20034828AAAAGA1212



Place: Mumbai

Date: August 31, 2020



## MUKAND LIMITED

Regd. Office : Bajaj Bhawan, Jammalal Bajaj Marg, 226, Nariman Point, Mumbai 400 021

CIN : L99999MH1937PLC002726

### Statement of Unaudited Consolidated Financial Results for the quarter & three ended June 30, 2020

Rs. In Crores

Particulars	Quarter ended			Year ended
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	Audited	Unaudited	Audited
<b>I. Revenue from Operations</b>	311.91	765.67	842.48	2,922.69
<b>II. Other income</b>	0.37	13.37	1.38	24.07
<b>III. Interest Income</b>	10.55	9.24	17.63	44.17
<b>IV. Total Revenue (I + II + III)</b>	322.83	788.28	861.49	2,990.93
<b>V. Expenses:</b>				
(a) Cost of materials consumed	146.58	405.48	460.33	1,520.58
(b) Purchases of Stock-in-Trade	5.68	47.26	28.28	119.01
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	45.02	3.01	(29.88)	(26.03)
(d) Employee benefits expense	41.15	46.84	48.97	189.92
(e) Finance costs	95.47	94.03	87.67	363.97
(f) Depreciation and amortization expense	18.59	20.08	18.32	75.41
(g) Stores, Spares, Components, Tools, etc. consumed	38.08	102.52	134.92	418.78
(h) Other Expenses	80.40	144.46	156.58	580.14
(i) Expenditure transferred to Capital Accounts / Capital Work-in-Progress	(0.23)	(1.00)	(0.93)	(4.17)
<b>Total expenses</b>	470.74	862.68	904.26	3,237.61
<b>VI. Profit/(loss) before exceptional items and tax (IV-V)</b>	(147.91)	(74.40)	(42.77)	(246.68)
Less : Exceptional Items(net)	-	-	-	-
<b>VII. Profit/(loss) before tax and Share in Profits of Associates and Joint Ventures</b>	(147.91)	(74.40)	(42.77)	(246.68)
Add: Share in Profits/(Loss) of Associates and Joint Ventures	(20.77)	(11.68)	(5.90)	(49.77)
<b>VIII. Profit/(loss) before tax</b>	(168.68)	(86.08)	(48.67)	(296.45)
<b>IX. Tax expense:</b>				
Current tax	(0.48)	0.66	(0.57)	(0.29)
Deferred Tax (Charge) / Credit	45.22	25.48	13.17	80.35
<b>Total Tax Expense</b>	44.74	26.14	12.60	80.06
<b>Profit/(Loss) for the period/year before tax adjustments pertaining to earlier years</b>	(123.94)	(59.94)	(36.07)	(216.39)
Tax adjustments due to reversal of Deferred Tax credit taken in earlier years on account of lapsing of business loss	-	(23.49)	-	(23.49)
<b>X. Profit/(Loss) for the period/year (VIII-IX)</b>	(123.94)	(83.43)	(36.07)	(239.88)
<b>XI. Other Comprehensive income (net)</b>				
<b>1 Items that will not be reclassified to Statement of Profit or Loss :-</b>				
Actuarial Gain on Employee defined benefit funds	0.14	(1.32)	0.80	1.48
Less : Deferred tax on above	(0.04)	0.40	(0.25)	(0.47)
Share of other comprehensive income of Associates & Joint ventures accounted for using the equity method	(0.01)	(0.08)	(0.26)	(0.61)
<b>2 Items that will be reclassified to Statement of Profit or Loss :-</b>				
Exchange Fluctuation on Translating Foreign Operations	(0.04)	1.03	(0.05)	1.53
<b>Total Other Comprehensive income (net)</b>	0.05	0.03	0.24	1.93
<b>XII. Total Comprehensive Income (X+XI)</b>	(123.89)	(83.40)	(35.83)	(237.95)
<b>XIII. Paid-up equity share capital - Face value Rs. 10/- per share</b>	141.42	141.42	141.42	141.42
<b>XIV. Reserves excluding Revaluation Reserves</b>	-	-	-	529.25
<b>XV. Earning per share - Face value Rs. 10/- per share</b>				
Basic and diluted earnings per share (in Rs.)	(8.77)	(5.90)	(2.55)	(16.96)



Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		Unaudited	Audited	Unaudited	Audited
1	<b>Segment Revenue</b>				
	Specialty Steel	303.99	733.48	807.12	2,795.62
	Industrial Machinery & Engineering Contracts	3.55	26.94	30.50	109.31
	Others	4.48	6.38	5.96	22.65
	Less : Inter Segment Revenue	(0.11)	(1.13)	(1.10)	(4.89)
	<b>Total Segment Revenue</b>	<b>311.91</b>	<b>765.67</b>	<b>842.48</b>	<b>2,922.69</b>
2	<b>Segment Result</b>				
	Specialty Steel	(52.09)	7.69	35.99	89.53
	Industrial Machinery & Engineering Contracts	(14.44)	(7.11)	(10.97)	(29.67)
	Others	(8.27)	(54.45)	2.09	(50.78)
	Less : Inter Segment Revenue	(0.02)	(0.16)	(0.14)	(0.67)
	<b>Total Segment Result</b>	<b>(74.82)</b>	<b>(54.03)</b>	<b>26.97</b>	<b>8.41</b>
	Add : Interest Income	10.55	9.24	17.63	44.17
	Other Income	0.37	13.37	1.38	24.07
	Share in Profits/(Loss) of Associates and Joint Ventures	(20.77)	(11.68)	(5.90)	(49.77)
	Less : Unallocable Expenditure	8.18	47.33	(4.93)	25.49
	<b>Profit / (Loss) before Finance costs</b>	<b>(76.49)</b>	<b>4.23</b>	<b>35.15</b>	<b>52.37</b>
	Less : Finance Costs	(92.19)	(90.31)	(83.82)	(348.82)
	<b>Profit / (Loss) before Tax</b>	<b>(168.68)</b>	<b>(86.08)</b>	<b>(48.67)</b>	<b>(296.45)</b>
3	<b>Segment Assets / Liabilities</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>30-June-20</b>	<b>31-Mar-20</b>	<b>30-June-19</b>	<b>31-Mar-20</b>
(i)	<b>Segment Assets</b>				
	Specialty Steel	2,285.38	2,339.68	2,239.72	2,339.68
	Industrial Machinery & Engineering Contracts	353.16	363.28	379.83	363.28
	Others	170.75	166.33	173.68	166.33
	Un-allocated Assets	1,628.30	1,590.60	1,687.95	1,590.60
	<b>Total Assets</b>	<b>4,437.59</b>	<b>4,459.89</b>	<b>4,481.18</b>	<b>4,459.89</b>
(ii)	<b>Segment Liabilities</b>				
	Specialty Steel	577.60	887.17	848.45	887.17
	Industrial Machinery & Engineering Contracts	49.07	57.00	73.61	57.00
	Others	141.68	137.27	144.76	137.27
	Un-allocated Liabilities	3,121.69	2,707.78	2,541.13	2,707.78
	<b>Total Liabilities</b>	<b>3,890.04</b>	<b>3,789.22</b>	<b>3,607.95</b>	<b>3,789.22</b>
4	<b>Total Net Capital Employed</b>	<b>547.55</b>	<b>670.67</b>	<b>873.23</b>	<b>670.67</b>

## **Notes:**

- 1.** The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31<sup>st</sup> August 2020. These results have been subjected to Limited Review by the Statutory Auditors of the Company.
- 2.** Post relaxation of lock down by the Government, the plants situated at Dighe, Thane in the State of Maharashtra and Ginigera, Koppal in the State of Karnataka have become partially operational as per guidelines of the Government with effect from first week of May 2020. The stress on liquidity position has been partially mitigated by the relief given by the Government, RBI, Electricity Distribution Companies, etc. Management expects that considering the nature of its business operations, existing customer and supplier relationships, impact on its business operations, if any, arising from COVID -19 pandemic may not be significant in the long run and would be able to recover carrying amount of all its assets as appearing in the financial statements and meet its entire financial obligations in the near future. The impact of COVID 19 pandemic may be different from that estimated as at the date of approval of these financial results. The Management will continue to monitor any material changes to future economic conditions.
- 3.** Petitions filed with NCLT for Scheme of amalgamation between Adore Traders and Realtors Private Limited, a wholly owned subsidiary of Mukand Global Finance Limited with the parent company MGFL, followed by the amalgamation of MGFL and Mukand Engineers Limited with the Company are pending for approval of NCLT. The Scheme shall be effective from the appointed date 1st April, 2019 on receipt of NCLT order and filing the same with Registrar of Companies and therefore the above results do not include effect of amalgamation of these Companies with the Company.
- 4.** Management's response to the observations of the auditors on the financial statements for the year ended 31.03.2020:
  - a.** The investments in and debts / advances due from Bombay Forgings Limited (BFL) was at Rs. 38.06 Crore (net of provision for expected credit loss) as at 30<sup>th</sup> June 2020 as against Rs. 38.18 Crore (net of provision for expected credit loss) as at 31<sup>st</sup> March 2020. The management, considering the value of unencumbered fixed assets and current assets of BFL, considers the balance dues to be 'Good' and adequately covered and barring unforeseen circumstances expects full realisability of the same in future.

- b. In accordance with the Scheme of Amalgamation as sanctioned by the NCLT, Mukand Sumi Special Steel Ltd., a joint venture, has recognized goodwill on amalgamation amounting to Rs. 1,834.84 Crore which is amortized over its useful life. Depreciation and amortization charge for the quarter under report on this account is Rs. 22.85 Crore (PQ Rs. 22.94 Crore). This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Combinations' for business combination of entities under common control.
5. As regards Mukand Engineers Ltd (MEL), an associate company, the Company had filed Company Scheme Petition seeking sanction of the NCLT, Mumbai bench and the same was admitted by NCLT Special Bench, Mumbai on 23rd April, 2020. Final hearing on the petition and approval of the Scheme by NCLT is awaited. The Scheme is also subject to requisite approval of other Statutory or Regulatory authorities as may be applicable. On implementation of the Scheme, the Company will cease to exist and all the assets and liabilities of the Company will be transferred to Mukand Limited w.e.f. the Appointed Date on a going concern basis without any further act, instrument, deed, matter or thing by virtue of and in the manner provided in the Scheme. In view of this the financial statements have been prepared on a going concern basis. The statutory Auditor of MEL have referred this note as a matter of emphasis in its report on the results for the quarter ended 30th June 2020.
6. The figures of last quarter of the previous year are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the previous financial year, which were subjected to Limited Review.
7. Figures in respect of the previous period have been regrouped / recast wherever necessary in case of above results.

**By Order of the Board of Directors  
For Mukand Ltd.,**

Niraj  
Ramkrishna Bajaj  
hna Bajaj

Digitally signed  
by Niraj  
Ramkrishna Bajaj  
Date: 2020.08.31  
17:13:22 +05'30'

**Niraj Bajaj**

**Chairman & Managing Director**

RAJESH  
VIREN  
SHAH

Digitally signed by  
RAJESH VIREN  
SHAH  
Date: 2020.08.31  
17:14:09 +05'30'

**Rajesh V. Shah**

**Co-Chairman & Managing Director**

Place : **Mumbai**

Date : **31<sup>st</sup> August 2020**

# HARIBHAKTI & CO. LLP

Chartered Accountants

## Independent Auditor's Review Report on quarterly Unaudited Consolidated Financial Results of Mukand Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors

Mukand Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Mukand Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associates and joint ventures for the quarter ended June 30, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Mukand Limited	Holding Company
2	Mukand Global Finance Limited	Subsidiary
3	Vidyavihar Containers Limited	Subsidiary
4	Mukand International FZE	Subsidiary
5	Adore Traders and Realtors Private Limited	Step-down Subsidiary
6	Mukand Sumi Special Steel Limited	Joint Venture
7	Mukand Sumi Metal Processing Limited	Joint Venture
8	Hospet Steel Limited	Joint Venture
9	Mukand Engineers Limited	Associates
10	Stainless India Limited	Associates
11	Bombay Forgings Limited	Associates





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5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to the following matters in the notes to the Statement:

- a) Note 2 to the Statement, which explains the management evaluation on the impact of COVID 19 pandemic situation on the operational and financial position of the Company which is further dependent upon the circumstances as they evolve in the subsequent period.
- b) Note 4(a) to the Statement, relating to exposures in Bombay Forging Limited ("BFL") aggregating Rs. 38.06 crores (net of provision for expected credit loss) as at June 30, 2020. The management, barring any significant uncertainties in future, has considered the value of unencumbered fixed assets and current assets of BFL for the balance portion of exposure in BFL.
- c) Note 4(b) to the Statement, relating to the accounting treatment of goodwill amounting to Rs. 1,834.84 crores in the books of Mukand Sumi Special Steel Limited ("MSSSL"), a Joint Venture, which is amortised over its useful life in accordance with the scheme of Amalgamation as sanctioned by the National Company Law Tribunal ("NCLT"). As a consequence, depreciation and amortisation expense for the quarter ended June 30, 2020, in the books of MSSSL includes Rs. 22.85 crores on account of amortisation of goodwill. This accounting treatment is different from that prescribed under Indian Accounting Standard (Ind AS 103) - 'Business Combinations' for business combinations of entities under common control. Had the accounting treatment prescribed under Ind AS 103 been followed, the depreciation and amortisation expense as well as loss before tax for the quarter ended June 30, 2020 would have been lower by Rs. 22.85 crores.
- d) Note 5 to the Statement, wherein the Statutory Auditor of an associate company, Mukand Engineers Limited ("MEL"), have drawn reference to following para in their review report:

Note 3 of the Financial result of MEL, which states that the MEL has incurred a net loss of Rs. 8.07 crores (loss after tax) during the quarter ending June 30, 2020 and has accumulated losses amounting to Rs. 58.48 crores (loss after tax), as on June 30, 2020 resulting in to erosion of the Net worth of MEL. During the period under review, Fund flow of MEL has been impacted on account of general slow-down in the business, which may also seriously impair MEL financial position. This indicate that a material uncertainty exists that may cast significant doubt on the MEL ability to continue as going concern. However, keeping in mind the ongoing restructuring exercise by the MEL, it is believed that the business will be able to generate sufficient profits in future to meet its financial obligations, these financial results have been prepared using going concern basis of accounting.

Our report on the Statement is not modified in respect of these matters.



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7. We did not review the results of three (3) subsidiaries included in the unaudited consolidated financial results, whose results reflect total revenues of Rs. 18.52 crores, and total net profit after tax of Rs. 0.57 crores and total comprehensive income of Rs. 0.53 crores for the quarter ended June 30, 2020 as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 2.91 crores and total comprehensive loss of Rs. 2.92 crores for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results, in respect of One (1) associate, whose results have not been reviewed by us. These results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

One (1) of above subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our report in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our report on the Statement is not modified in respect of this matter.

8. The unaudited consolidated financial results includes the interim financial results of one (1) step down subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 2.25 crores and total net loss after tax of Rs. 0.68 crores and total comprehensive loss of Rs. 0.68 crores for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 0.29 crores and total comprehensive loss of Rs. 0.29 crores for the quarter ended June 30, 2020, as considered in the unaudited consolidated financial results, in respect of two (2) associates, based on their interim financial results which has not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group including its associates and joint ventures.

Our report on the Statement is not modified in respect of this matter.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

  
Sumant Sakhardande

Partner

Membership No.: 034828

UDIN: 20034828AAAAG03683

Place: Mumbai

Date: August 31, 2020

